

1 SENATE JOINT RESOLUTION NO. 30

2 INTRODUCED BY R. ZINKE

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4 A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE STATE OF
5 MONTANA REQUESTING AN INTERIM STUDY TO EXAMINE THE PREMIUM COST DRIVERS IN
6 MONTANA'S WORKERS' COMPENSATION SYSTEM AND TO PROPOSE LEGISLATION FOR
7 CONSIDERATION BY THE 62ND LEGISLATURE TO ADDRESS THE PREMIUM COST DRIVERS.

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9 WHEREAS, Montana has the second highest workers' compensation premium rates in the nation,
10 according to the 2008 Oregon Workers' Compensation Premium Rate Ranking Summary; and

11 WHEREAS, Montana recorded 6.3 injuries for every 100 full-time equivalent workers in 2007 or 1.5 times
12 the comparable national data of 4.2 injuries for every 100 full-time equivalent workers; and

13 WHEREAS, Montana's medical costs account for 69% of benefit dollars, according to the National
14 Council for Compensation Insurance State Advisory Forum Report, 2008, and in 2004 Montana's medical benefits
15 were more than 77% greater than the national average, ranking Montana second of 46 jurisdictions surveyed
16 nationwide for the share of medical benefits in workers' compensation costs; and

17 WHEREAS, the time spent off work after an injury is 26% higher in Montana than the national average,
18 according to the National Council for Compensation Insurance State Advisory Forum Report, 2008; AND

19 WHEREAS, THE LABOR-MANAGEMENT ADVISORY COUNCIL ON WORKERS' COMPENSATION CONSISTING OF
20 EQUAL REPRESENTATION OF THE TWO PRIMARY WORKERS' COMPENSATION STAKEHOLDERS GROUPS, NAMELY
21 MANAGEMENT AND LABOR, WAS FORMED IN DECEMBER 2006 UNDER AGENCY ORDER BY THE COMMISSIONER OF LABOR
22 AND INDUSTRY AND WAS COMMISSIONED TO IDENTIFY AND RESEARCH THE PRIMARY COST DRIVERS IN WORKERS'
23 COMPENSATION.

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25 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE
26 STATE OF MONTANA:

27 That the Legislative Council be requested to designate an appropriate interim committee, pursuant to
28 section 5-5-217, MCA, or direct sufficient staff resources to conduct a review of Montana's workers' compensation
29 premium cost drivers as compared to premium cost drivers in other Western states with similar industries. The
30 review is to include comparisons on:

- 1 (1) the frequency of claims by types of claims;
- 2 (2) medical costs; IN PARTICULAR:
- 3 (A) DURATION AND AVAILABILITY OF AND ACCESS TO MEDICAL TREATMENTS;
- 4 (B) USE OF UTILIZATION AND TREATMENT GUIDELINES AND THEIR EFFECTIVENESS IN OTHER JURISDICTIONS; AND
- 5 (C) EVALUATION OF THE IMPACT ON COST CONTAINMENT AND ACCESS TO MEDICAL TREATMENT RESULTING FROM
- 6 CHANGES TO MEDICAL FEE SCHEDULES IMPLEMENTED BY THE DEPARTMENT OF LABOR AND INDUSTRY IN 2007 AND 2008;
- 7 (3) RESEARCH AND ANALYSIS ON WHETHER MONTANA SHOULD INCLUDE PRESUMPTIONS REGARDING
- 8 OCCUPATIONAL DISEASES ASSOCIATED WITH SPECIFIC OCCUPATIONS;
- 9 (4) RECOMMENDATIONS ON THE APPROPRIATE PAYMENT OF ATTORNEY FEES IN CASES INVOLVING MEDICAL
- 10 BENEFITS;
- 11 (5) EVALUATION OF AND RECOMMENDATIONS ON EXEMPTIONS IN WORKERS' COMPENSATION.
- 12 ~~—— (3) location of injuries and proximity to medical care;~~
- 13 ~~—— (4) duration of medical treatments;~~
- 14 ~~—— (5) the incidence of age-related medical conditions;~~
- 15 ~~—— (6) the length of time off work from an injury; and~~
- 16 ~~—— (7) the percentage of open claims.~~

17 BE IT FURTHER RESOLVED, that the study identify any additional areas that impact premium cost

18 drivers AND REQUEST THE LABOR-MANAGEMENT ADVISORY COUNCIL ON WORKERS' COMPENSATION TO RESEARCH

19 THESE AREAS and the interaction between workers and employers that may affect the premium cost drivers.

20 BE IT FURTHER RESOLVED, that the study incorporate reports from the Labor-Management Advisory

21 Council and stakeholders involved in workers' compensation insurance, including injured workers, attorneys or

22 other representatives for injured workers, insurers, and employers, and that the material from the study be

23 compiled into a report and draft legislation for consideration by the 62nd Legislature.

24 BE IT FURTHER RESOLVED, that if the study is assigned to staff, any findings or conclusions be

25 presented to and reviewed by an appropriate committee designated by the Legislative Council.

26 BE IT FURTHER RESOLVED, that all aspects of the study, including presentation and review

27 requirements, be concluded prior to September 15, 2010.

28 BE IT FURTHER RESOLVED, that the final results of the study, including any findings, conclusions,

29 comments, or recommendations of the appropriate committee, be reported to the 62nd Legislature.

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